



CITY OF ATLANTA

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Mayor

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DEPARTMENT OF PROCUREMENT
Adam L. Smith, Esq., CPPO, CPPB, CPPM, CPP
Chief Procurement Officer
asmith@atlantaga.gov

February 13, 2015

Dear Potential Proponents:

Re: FC-7936, Employee Benefits

Attached is one (1) copy of **Addendum Number 3**, which is hereby made a part of the above-referenced project.

For additional information, please contact Krista A. Morrison, Esq., at (404) 865-8709 or by email at kamorrison@atlantaga.gov.

Sincerely,

A handwritten signature in black ink that reads "Adam L. Smith".

Adam L. Smith

ALS/kam

ADDENDUM NO. 3

This Addendum No. 3 forms a part of the Request for Proposals and modifies the original solicitation package and any prior Addenda as noted below and is issued to incorporate the following:

- **A total of 35 Questions and Answers pertaining to Addendum No. 2** (see pages 4-11).

The Proposal due date has NOT been modified and Proposals are due on Wednesday March 4, 2015 and should be time stamped in no later than 2:00 P.M. EST and delivered to the address listed below:

Adam L. Smith, Esq., CPPO, CPPB, CPPM, CPP
Chief Procurement Officer
Department of Procurement
55 Trinity Avenue, S. W.
City Hall South, Suite 1900
Atlanta, Georgia 30303

****All other pertinent information is to remain unchanged****

Acknowledgment of Addendum No. 3

Proponents must sign below and return this form with Proposal response to the Department of Procurement.

Proponents must sign below and return this form with Proposal to the Department of Procurement, 55 Trinity Avenue, City Hall South, Suite 1900, Atlanta, Georgia 30303 as acknowledgment of receipt of this Addendum.

This is to acknowledge receipt of **FC-7936, Employee Benefits Addendum No. 3** on this the _____ day of _____, 20__.

Legal Company Name of Proponent

Signature of Authorized Representative

Printed Name

Title

Date

Questions and Answers

Office of Contract Compliance (Appendix A) Questions

- 1) Question #88 (First Source). If a vendor does not have an office in the City of Atlanta or Georgia, is the First Source requirement applicable to that vendor?

Answer: Yes, all vendors (Prime contractors and subcontractors) are required to participate in the First Source Jobs Program if hiring is needed to facilitate this contract.

- 2) I noticed that the Joint Venture requirement has been removed, however I believe there is still a sub-contractor requirement. Before my company puts a great deal of effort in responding to the RFP, can you please clarify if we will or won't meet your requirements?

My organization will only be bidding on the Flexible Spending Account.

Although we have over 20k clients (including a large county in metro Atlanta), we only have 120 employees in our organization. We are not based in Georgia and are not minority owned. We outsource our call center and although they are in the process of being certified as a women owned business, they are not at this time. They are also based in Pennsylvania. We do have some of our employees working at this call center and these employees and all call-center employees are highly trained on our products. It would not make sense for us to subcontract to anyone else.

Based on this information, do we qualify to bid on the Flexible Spending Account for the City of Atlanta and if so would any points be taken off or will we be at a disadvantage?

My goal would be to show that we can give your employees the best experience, your internal HR/admin team the best experience, and all for the best price. I don't want to have to spend the time, money, and resources showing you the above, if we are not going to meet your other internal requirements.

Answer: Although the Joint Venture requirement has been removed, all prime contractors must adhere to the minority and female business enterprise (M/FBE) subcontractor participation requirements listed in Appendix A.

Risk Management (Appendix B) Questions

- 3) Proponent question #90 asked about “Task Orders”. We reviewed the City’s response, which indicated that Office of Enterprise Risk Management may ask for a Task Order to allow the contractor to elaborate on any outstanding work, but we are still not clear on what purpose a task order fulfills, when it might be called for, what type of elaboration the contractor would be expected to supply, the impact of such Task Orders on the contract, etc. We reviewed the City Code, but could not find any reference to a Task Order. Will the City please provide more context and explanation, or perhaps provide a specimen Task Order so that we can understand this requirement?

Answer: At any given time the Office of Enterprise Risk Management may ask for a Task Order, which will allow the contractor to elaborate on any outstanding work or provide a copy of their Insurance current certificate.

- 4) Regarding Proponent question #94, can the City please provide a specimen of the format it requires for the payment bond?

Answer: Performance and Payment Bond must be submitted on the City form that was supplied in your RFP document.

- 5) The response to proponent question #95 indicates that the City will require a performance guarantee, such as a “letter of irrevocable credit”, however, the RFP, as amended, also requires a payment and/or performance bond from the successful proponent. Please confirm that the letter of irrevocable credit is only required if the proponent cannot provide the bond, as a payment and performance bond is also a guarantee of performance. If the City requires both the bond and the letter of irrevocable credit, please explain why double security is being requested, as the related fees will negatively impact the pricing offer a proponent would otherwise be able to offer the City.

Answer: The City will only accept a payment and performance bond. A letter of Irrevocable credit is not accepted or required.

Scope of Services Questions

- 6) When going through the question and answer section of Addendum #2, question 115 references needing reference letters provided at the company level. Upon review of the RFP, there was no mention of letters being needed for the references. Can you please confirm that this is a requirement?

Answer: Yes, reference letters are required.

- 7) Question #135 (Plastic ID Cards). In order to be more environmentally responsible, we provide laminated paper ID cards. Is this acceptable to the City?

Answer: Laminated paper ID Cards are acceptable.

- 8) Proponent question #52 was not intending to ask about payment terms. Proponent is actually asking about the frequency of invoicing (i.e., what is the invoicing interval) for both claims and administrative fees. For instance, Proponent typically invoiced administrative fees one time per month, just after the month ends. For Claims, Proponent invoices four times monthly for the following periods: (a) the 1st through the 8th of the month; (b) the 9th through the 15th of the month; (c) the 16th through the 23rd of the month; and (d) the 24th through the last day of the month. The invoice for each period is usually provided within two days after the relevant period ends. Is this similar to the invoicing occurring today and is this acceptable to the City?

Answer: Yes, the current contracted vendors' invoicing intervals are being processed monthly for administrative fees and premiums. For ASO vendors, the claims are typically invoiced weekly after relevant periods ends.

- 9) Page 24, Question 108 & Page 26 – Question 122 – What has been the past cost for open enrollment materials? Please provide details of the cost split by contracted vendors (i.e., Total amount, amount paid by BCBS, Kaiser, Cigna, Humana, UHC, AFLAC, Minnesota life, etc.)

Answer: The printing costs for the past three (3) open enrollment materials has been approximately \$107,000 annually and has been split equally among the contracted vendors.

- 10) Addendum 2 indicates that proponents are expected to cover a shared percentage for printed communication costs (e.g. response to question 134 and others). Can you please identify how the shared percentage will be determined? For instance, if you carve out pharmacy benefits from medical, what will the shared percentages be?

Answer: The current cost for printed communication is equally split between all contracted vendors. If pharmacy benefits are carved out of medical, contracted PBM vendor will be expected to share percentage for printed communication costs.

- 11) In follow up to Question #151, can you please provide Current and Proposed ISL and ASL level, along with Medical large claim information for individual claims in excess of \$50,000. (Medical large claim report should include diagnosis and claimant status information and should identify if amounts in excess of any pooling threshold have been included or excluded from the claim experience provided. The Rx report should include any claimants over 25k and include script name.)

Answer: Data not available at this time.

- 12) Page 32, Question 151 – Please confirm whether claims data are gross claims or are “net” of claims over the \$250,000 level (i.e., exclude claims over \$250,000). The first part of the multi-part question was not answered.

Answer: The stop-loss claims are net claims over \$250,000.

- 13) In follow up to questions #160 and #213, can you please confirm that the City is only expecting us to return a completed "Appendix E-5 CPT Code Analysis.XLSX", and that we do not need to re-price (and return either a full file or summary of) "Appendix E-3a BCBS Claims Repricing.accdb"?

Answer: The City is expecting a completed CPT Code Analysis. The BCBS claims re-pricing information was provided as a reference source for cost analysis.

- 14) In follow up to Question #174, regarding how to respond to the Questionnaire if the bidder is providing quotes for both Medical and Medicare Advantage, some items will be the same for both Medical and Medicare Advantage, while other would be significantly different. Would the City take our recommended approach of only responding to this document one time, and providing two separately identified responses when they differ from Medical and Medicare Advantage? If so, would the City confirm that we could apply the 2-3 paragraph response limit to each product separately?

Answer: The City is requesting the proponents provide two separately identified responses when they differ from Medical and Medicare Advantage. They will apply the 2-3 paragraph response limit to each product, since they will be reviewed separately.

- 15) In follow up to Question #185, would bidders be required to provide a Medicare Advantage disruption on the "Appendix E-6 Displacement Analysis.xlsx" file, or would they just be required to disrupt this file based on the active medical plan? Also, would they be required to include the Medicare Advantage data (if available) in the charts in Section L (Network Management)- or just the information they are already providing for the medical plan?

Answer: The displacement analysis will be required for the active medical plans. Proponents are encouraged to submit Medicare Advantage data if available. The disruption for Medicare Advantage will be determined based on vendor's designated network that has CMS administrative approval.

- 16) Since the City will allow the submission of "illustrative only" rates for the MAPD RFP and the final rates upon the release of the CMS Rate Book in Mid-April, how will the City score the RFP for rates when these are illustrative rates only?

Answer: The City will work with contracted Consultant to review submission of illustrative only rates based on historical data and anticipated rates that will be released in the CMS Rate Book in Mid-April.

- 17) In the Addendum, the City referred to EGWP PDP plans. For Medicare Advantage plan offerings, the EGWP PDP plan generally is integrated but for non-Medicare Advantage medical offerings, would the City want an EGWP PDP Rx plan or RDS drug plan?

Answer: The City is open to reviewing both drug plan offerings and will make a decision based on what plan provides the best option for the City and its Post-65 Retirees.

18) For post-65 retirees outside of our Medicare Advantage service area would the City be interested in a group Medigap plan(s)?

Answer: The City is open to reviewing and considering all Medicare Plan options that would be beneficial to both the City and its Post-65 Retirees.

19) If the City is interested in EGWP (according to the addendum), we would need the post 65 monthly pharmacy claims broken out with lives and also need to know if we are quoting ASO or FI.

- a. If they are wanting traditional EGWP and not MA, then we would need also month by month claims with membership provided.

Answer: Data not available at this time.

20) In follow up to question #244, can you please confirm whether current UHC Part D plan accumulators (ICL and TROOP) re-set on 9/1 or 1/1?

Answer: Based on our plan year, it will re-set on 9/1.

21) Pertaining to the responses for questions (167-169 and 176-182) we request the City reconsider and submit at minimum the data requested in order to provide for a level playing field for all bidders and not allow for a competitive advantage for the incumbent vendor(s).

- a. Most recent 12 months of MA medical claims. Please also indicate if claims are on a paid or incurred basis and the paid through date of the data.
- b. Most recent 12 months of Part D Rx claims.
- c. Most recent available MMR (monthly membership report) or current MA UHC population medical risk score.

Answer: The City has requested specific MA medical claims data from contracted vendors; however due to plan membership numbers and other administrative policies, this information is not available.

22) Response to question 210 in Addendum 2 indicates that there is a retail 90 benefit. However, the response to question 236 b. indicates that 90 day prescriptions are only available through mail. Can you please clarify for both non-specialty maintenance medications and specialty medications?

Answer: The 90 day home delivery pharmacy is specific to non-specialty drugs. The specialty pharmacies (Accredo, Freedom Drug) are aligned to the retail network dispensing logic so specialty drugs are limited to a 30 day supply

23) In follow up to questions 214 and 215: The data provided in attachment 7 is summary data. In order to complete a pharmacy re-pricing and offer a complete set of firm guarantees, we would need a full pharmacy claims file including month-by-month utilization and month-by-month membership, with the data elements outlined in questions #215. Would the City be able to provide this data:

- d. 6-12 months of recent claim data
- e. NDC 11 format
- f. fill date
- g. days of therapy
- h. mail/retail indicator
- i. brand/generic indicator.
- j. Pharmacy utilization

Answer: Data not available.

24) Is an RX data file with the following items available: NCPDP, NDC code, Quantity, Day supply and Date of fill?

Answer: Data not available.

25) When will pharmacy utilization data be available?

Answer: Addendum No. 2- Appendix 7 has the only pharmacy utilization data that is available at this time.

26) The answer to question 236 in Addendum 2 indicates that members are required to obtain maintenance medications from mail service only have 2 fills at retail. However, the summary data in Attachment 7 does not show mail prescription volume that one would expect to see with a mandatory mail requirement for non-specialty maintenance medications. Can you please explain? Does the mandatory mail requirement only apply to specialty medications?

Answer: The mandatory mail order requirement only applies to specialty medications at this time.

27) Please provide a census for the current Part B only population or at minimum please provide number of eligibles currently enrolled in a Part B only plan.

Answer: The City currently has approximately 600 retiree/widowers who are post-65 and participating in a Non-Medicare Advantage health plan with an additional 700 who are also eligible for health insurance and could potentially select that option during the Open Enrollment process.

28) Addendum # 2 refers to Attachment # 7 for pharmacy claims information, which is a high level summary of claims. Typically, we receive individual claims detail for 12 months for each claim adjudicated by member and NDC (with the claims detail requested in a few bidder questions. Using individual claims is important for a financial offer, as drug pricing varies substantially for each claim. Can you please provide a file with individual claims containing the fields requested in such bidder questions as #238 and #239?

Answer: Data not available at this time.

29) In response to #268, how are we to fill out the 2nd tab of the A-1 cost proposal worksheet – if on the first tab (Rate Quotation Form) the City is looking for the quote to be entered both fully insured (Section 1) and ASO (Section 2) options for dental, which option should be shown on the 2nd tab (combined; should this be ASO or fully insured from the first tab for the purposes of completing the 2nd tab)?

Answer: The City currently offers both a fully insured and a self-funded dental plan. If proponents are interested in submitting both a fully insured quote and a self-funded quote, please submit proposals on two separate sections and clearly identify the type of quote.

30) In the response to # 309, it's noted that the vision will be moving from a 4 tier rate structure to 7 tier effective 9/1/15 – will the City consider a 4 tier rate quote for vision?

Answer: The City currently has a 4 tier rate structure. The additional 3 rate structure that is indicated for retirees just extends the 4 tier rates into the following categories: Beneficiary Children, Widow(er) Only, Widow(er) and Child(ren). The rates for those additional categories are covered in the 4 tier rate structure.

31) The Minnesota Life policy shows that retirees may elect up to an additional \$5,000, \$10,000 or \$15,000 of "additional" life. How is this billed and at what rate? Is the enrollment for this "additional life" coverage included on the census file? Where is the experience on the "additional" retiree life?

Answer: The additional life insurance coverage up to \$20,000 for retirees is an independent program directly with the contracted vendor. The retirees have a separate arrangement with the vendor and premium payments are handled directly with the vendor. No census data available.

- 32) Please clarify the dependent life counts. The MN Life invoice shows 1,345 with Active Spouse Life and 1,752 with Active Dependent Life. Based on the census for Active Employees, I show the following counts:

Child	1089
Domestic Partner	34
Domestic Partner & Child	41
Spouse	646
Spouse & Child	1292

Please clarify how the counts on the census are being interpreted to get to the invoice counts from the MN Life bill. I am having a similar issue with the Dependent Life retiree counts.

Answer: The MN Life invoice reflects the total number of individuals covered in two categories: per spouse and per children. The Census data indicates the number of covered individuals in the five different categories.

- 33) We identified 495 retirees with a widow(er) status with a retiree life amount on the census file. On the active tab of the census, is there any surviving spouse coverage and how would it be identified?

Answer: No, they would automatically be placed under the widow(er) category for life insurance. The census data captures all surviving spouses in the widow(er) category.

- 34) Addendum 2 contained a revision to the current Life plan request where the city's contribution increased from \$10,000 to \$45,000. Are you looking for us to quote the current plan and show this as an option or quote only this revised plan? Are there going to be updates to exhibit A to reflect this option? Should we assume all active employees earning less than \$45,000 would be enrolled in Basic Life coverage for this option?

Answer: The City is interested in receiving quotes on the current option with the City contributing to the first \$10,000 coverage and a quote with the active employees receiving \$45,000 of basic life coverage. Employees earning less than \$45,000 will automatically be enrolled for that amount.

- 35) Do retirees have Basic AD&D coverage?

Answer: No. Retirees only have a basic life insurance policy with no AD&D coverage.